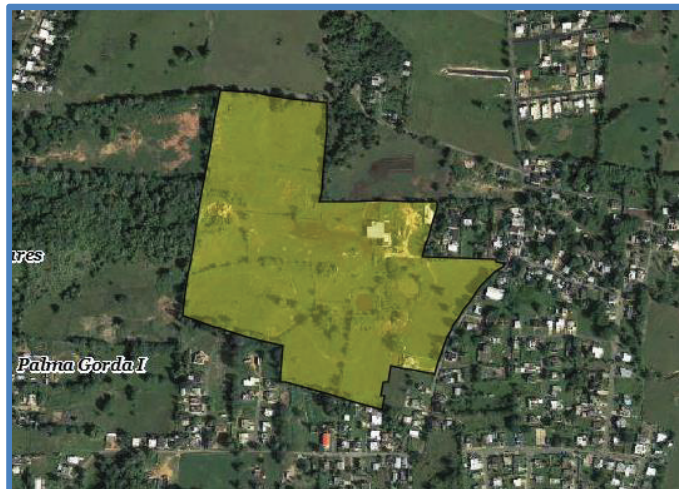




## SUMMARY APPRAISAL REPORT OF A DAIRY FARM AND RESIDENTIAL PROPERTY

KNOWN AS "VAQUERIA PEDRAZA"  
LOCATED AT STATE ROAD #493 KM. 1.0 INT.  
CARRIZALES WARD, HATILLO, PUERTO RICO



### PREPARED:

FOR: MR. JUAN J. PEDRAZA MORA  
STATE ROAD #493 KM 1.0 INT.  
CARRIZALES WARD  
HATILLO, PR 00659

BY: ISMAEL ISERN SUAREZ  
CIVIL ENGINEER LIC. #12209  
REAL ESTATE APPRAISER LIC. #684  
CERTIFIED APPRAISER #156



August 14, 2013

MR. JUAN J. PEDRAZA MORA  
STATE ROAD #493 KM 1.0 INT.  
CARRIZALES WARD  
HATILLO, PR 00659

Dear Mr. Pedraza:

As you requested, we respectfully submit for your consideration and study a **Summary Appraisal Report** of a dairy farm and residential property known as "Vaqueria Pedraza" located at State Road #493 km 1.0 int., Carrizales Ward, Hatillo, Puerto Rico.

The purpose of the appraisal was to estimate the market value in fee simple of the property, assumed available for use, based on the assumptions, limiting conditions and certificate included herein.

Based on the analyzed market data, the appraisers are of the opinion that the market value in fee simple of subject property as of July 24, 2013 to be:

**MARKET VALUE - IN "FEE SIMPLE"**

NINE HUNDRED FIFTY THOUSAND DOLLARS  
\$950,000.00

The supporting data, the analysis, and the results of our investigation upon which this value estimates is based are contained in the accompanying appraisal report.

I am in the best disposition to offer any further assistance in case questions may arise in relation to this property.

Cordially yours,



Ismael Isern Suárez  
Civil Engineer Lic. #12209  
Real Estate Appraiser Lic. #684  
Certified Appraiser #156

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## SUMMARY OF RELEVANT FACTS AND CONCLUSION

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<b>Owner</b>	Juan J. Pedraza Mora
<b>Location</b>	<i>State Road #493 km 1.0 int. Carrizales Ward, Hatillo, Puerto Rico</i>
<b>Site</b>	<p>The subject property is an assemblage of two (2) parcels totaling 54.0945 “cuerdas” equivalent to 212,613.2197 sm.</p> <p>157,587.6673 sm. = 40.0945 cdas. <u>55,014.5524 sm. = 14.0000 cdas.</u> 212,613.2197 sm. = 54.0945 cdas.</p>
<b>Improvements</b>	The subject property consists of a Dairy Farm with various structures and a residential (dwelling) building. A detailed description is in the following pages of this report.
<b>Zoning</b>	The property falls under an Agricultural (A-G) zone according to the Hatillo Zoning Map.
<b>Highest and Best Use</b>	Agricultural
<b>Actual Uses</b>	Agricultural-Residential
<b>Flood Conditions</b>	The property falls under a Zone "X", non-floodable as per Map FIRM 72000C-0210J, revised November 18, 2009.

### Market Value Opinion

<b>Cost Approach</b>	Land: \$487,000.00 (rd) Improvements: <u>\$463,000.00 (rd)</u> TOTAL: \$950,000.00
<b>Direct Sales Comparison Approach</b>	Not developed
<b>Income Approach- “Fee Simple”</b>	Not developed

Located At State Road #493 km 1.0 int.  
Carrizales Ward, Hatillo, Puerto Rico

## Final Estimate of Value

**Market Value in “Fee Simple”** \$950,000.00

**Effective Date of Value Estimate** The effective date of this appraisal is as of July 24, 2013, date of the last inspection, based on the economic conditions and expectations prevailing as of this date. The date of the Report is as of August 14, 2013; the date of the transmittal of this document.

## SCOPE OF THE ASSIGNMENT

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The scope of the appraisal, as written in a summary narrative report, is to analyze the necessary data for a fee simple estate market value opinion as of July 24, 2013, the date of the inspection and effective date of this appraisal. The following is a brief overview of the necessary steps taken to provide a value opinion and an appraisal.

Regional economic factors as well as neighborhood economic influences have been evaluated and an analysis of those most pertinent factors has been included herein.

An interior and exterior inspection of the subject property was conducted on July 24, 2013 as well as various other subsequent exterior inspections, with careful attention being given its physical and functional characteristics and its ability or inability to compete within the subject's market area.

An analysis of the subject's highest and best use, both as if vacant and as improved, was conducted to determine the subject's highest value while considering what is legally permissible, physically possible, financially feasible, and maximally productive.

Collecting and analyzing appropriate market data for the purpose of estimating the subject's market value and the impact on the subject property as a result of any proposed properties. The collected market data is verified with the appropriate knowledgeable parties in order to obtain an accurate account of the transaction, thus, eliminating those comparables, which are not arm's length.

An inspection of the subject neighborhood was carried out. Neighborhood maps were examined to identify access to the area. The site was inspected to identify physical characteristics and possible adverse physical easements. Flood maps prepared by the Federal Emergency Management Agency were checked to determine the flood classification of the subject parcel. The Puerto Rico Planning Board was visited, and a zoning map of the subject and immediate area was examined.

The opinion of value is reported in summary appraisal report. The appraisal report is intended to comply with the reporting requirements of Standards Rule 2-2 (a) of the Uniform Standards of Professional Appraisal Practice (USPAP). As such, it presents a detail discussion of the data reasoning and analysis that were used in the appraisal process to develop the appraiser's opinion of value.

In arriving at a final value opinion for the subject property, consideration is given to each of the approaches, which have been developed. A meaningful value opinion is produced by considering three criteria: appropriateness, accuracy; and quality of evidence. The strengths and weakness of each approach are analyzed, culminating in the final value opinion.

Located At State Road #493 km 1.0 int.  
Carrizales Ward, Hatillo, Puerto Rico

Only the sales comparison and income capitalization approaches to value were used to arrive at an opinion of the market value of the subject property as of the date of this report. The cost approach loses reliability as properties get older and depreciation estimates which are mostly subjective in nature are difficult to estimate. Even more, due to the scarcity of recent vacant land sales in the subject neighborhood, the development of this approach was not possible either. I researched data on comparable improved sales, income and expense information; confirmed all comparable sales and other data, and analyzed the information gathered in applying the sales comparison, and income capitalization approaches

Unless otherwise noted within the body of this appraisal report, no considering has been given to personal property on the premises, or to the cost of moving or relocating such personal property. Only the real property has been considered in this analysis, the approaches included in this appraisal report of opinions of value, and the final opinion of value.

## INTRODUCTION

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### Identification of the property

The appraisal assignment consists of estimating the market value of a dairy farm and residential property located at State Road #493 km 1.0 int., Carrizales Ward, Hatillo, Puerto Rico, the subject site comprises an assemblage of two (2) parcels of approximately 54.0945 “cuerdas”.

### Property Rights Appraised

The appraisal is made with the understanding that the present ownership of the subject property includes all of the rights that may be lawfully owned and is therefore title in “Fee Simple”. (An absolute fee; a fee without limitations to any particular class of heirs of restrictions, but subject to the limitations of eminent domain, escheat, police power and taxation; and inheritable estate).

### Intended Use of the Appraisal

The purpose of the appraisal is to provide an opinion of value for the fee simple interest of the subject property as of July 24, 2013, effective date of this report.

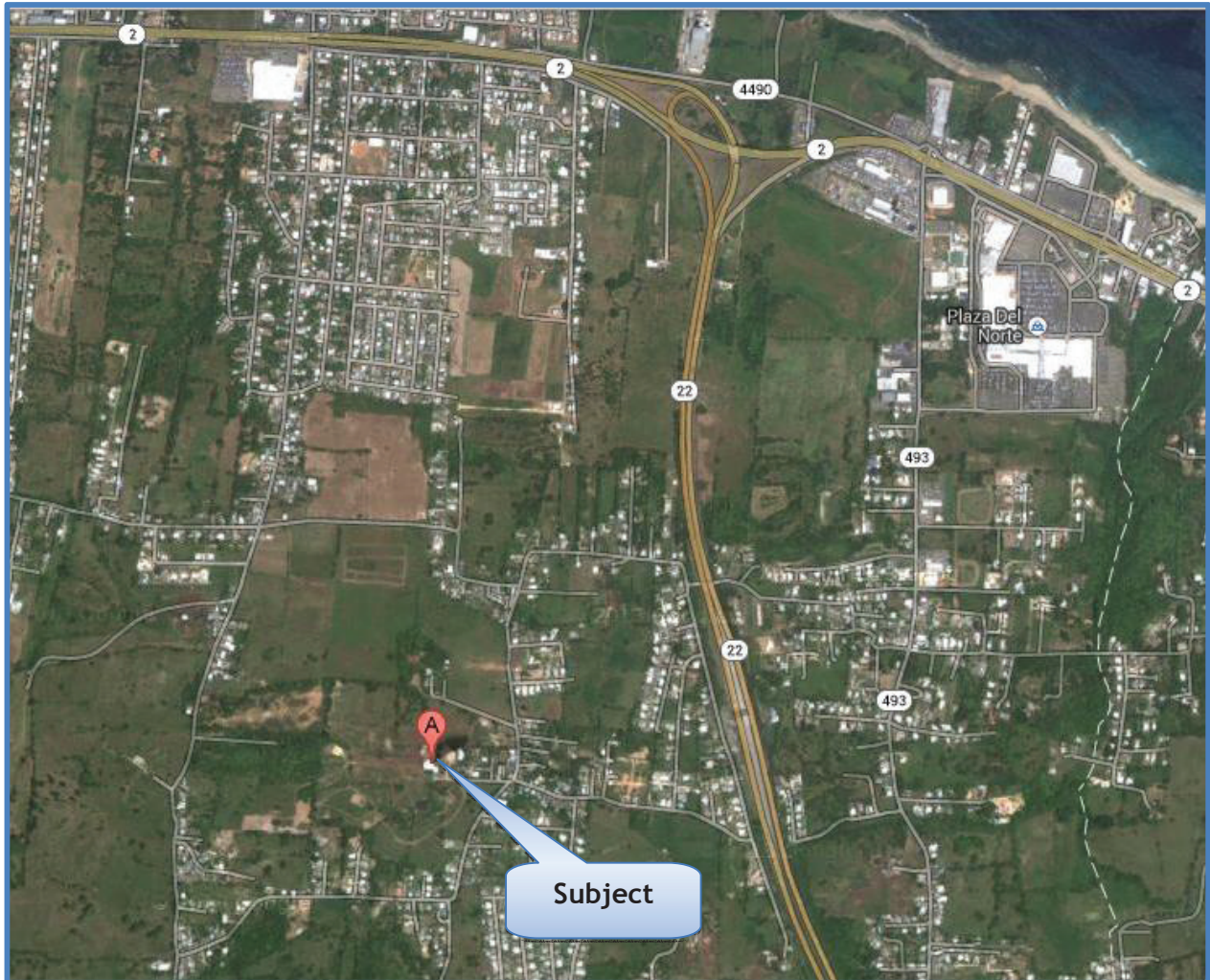
### Intended User of the Appraisal

The intended user of this appraisal report is Mr. Juan J. Pedraza Mora, our client. This appraisal report was prepared for the sole and exclusive use of our client and its use or reliance on by anyone other than the client is prohibited



Located At State Road #493 km 1.0 int.  
Carrizales Ward, Hatillo, Puerto Rico

## LOCATION MAP



## SUBJECT PHOTOGRAPH

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### Dairy Farm Photographs



Photo 1: Access View



Photo 2: Entrance View



Photo 3: General View



Photo 4: Storage Shed View



PHOTOGRAPHS (Dairy Farm)...



Photo 5: Storage Shed View



Photo 6: Tanks Storage View



Photo 7: Tank Storage View



Photo 8: Dairy Building View

PHOTOGRAPHS (Dairy Farm)...



Photo 9: Dairy Building Interior View



Photo 10: Dairy Building Interior View



Photo 11: Cow Shelter Structure View



Photo 12: Cow Shelter Structure View



PHOTOGRAPHS (Dairy Farm)...



Photo 13: Cow Shelter Structure View



Photo 14: Material Shed Structure View



Photo 15: Poultry Cages View



Photo 16: Poultry Cages View

Located At State Road #493 km 1.0 int.  
Carrizales Ward, Hatillo, Puerto Rico

Residential Structure Photographs



Photo 1: Front View



Photo 2: Rear View

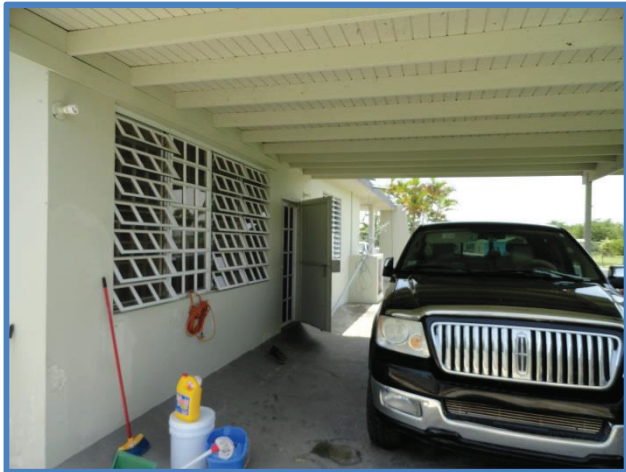


Photo 3: Side View



Photo 4: Side View



Located At State Road #493 km 1.0 int.  
Carrizales Ward, Hatillo, Puerto Rico

PHOTOGRAPHS (Residential)...



Photo 5: Side View



Photo 6: Front Yard View



Photo 7: Storage View



Photo 8: Access View

Located At State Road #493 km 1.0 int.  
Carrizales Ward, Hatillo, Puerto Rico

PHOTOGRAPHS (Residential)...



Photo 9: Balcony View



Photo 10: Terrace View



Photo 11: Interior View



Photo 12: Interior View



Located At State Road #493 km 1.0 int.  
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PHOTOGRAPHS (Residential)...

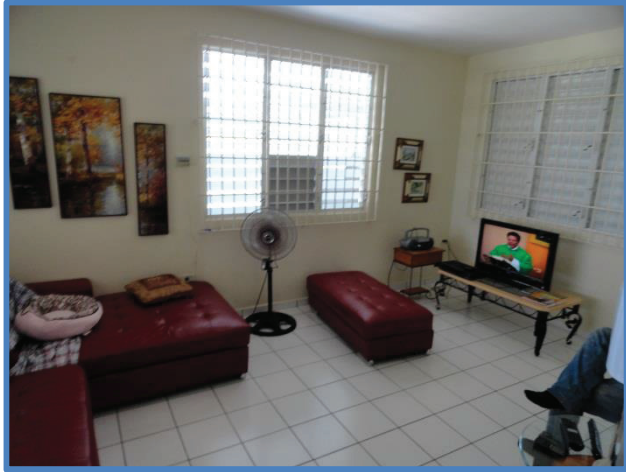


Photo 13: Interior View

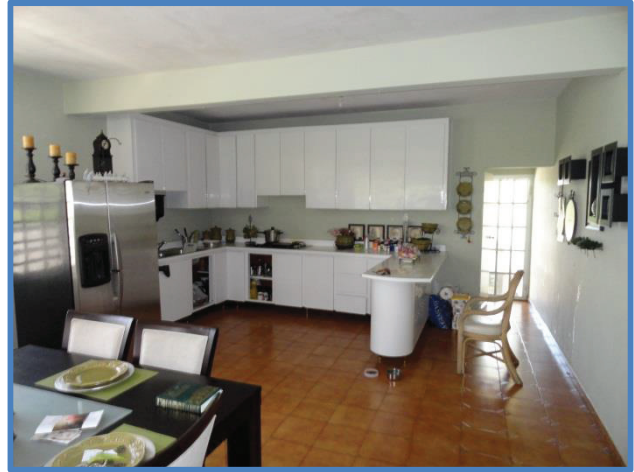


Photo 14: Interior View



Photo 15: Interior View



Photo 16: Interior View

Located At State Road #493 km 1.0 int.  
Carrizales Ward, Hatillo, Puerto Rico

PHOTOGRAPHS (Residential)...



Photo 17: Interior View

Photo 18: Interior View

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